



Finance and Central Services Department  
Local Government Finance Division

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**Finance Circular No. 4/2006**

**by e-mail**

To: Directors of Finance of Scottish Local Authorities

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<http://www.scotland.gov.uk>

Your ref:

Our ref: B600247

19 July 2006

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Dear Director of Finance

**REVIEW OF THE BELLWIN SCHEME**

1. Firstly, I would like to thank all those who responded to the consultation paper on the Review of the Bellwin Scheme. The responses received, and the discussions with councils, have been used to help inform Ministers' consideration of changes to the Scheme, aimed at making it to be more streamlined, accessible and transparent.

2. As a starting point, the consultation paper identified possible areas which could be considered for revision, these were the triggering arrangements, the supporting documentation required for interim and final claims, the calculation of the threshold and the grant percentage payable. Given the duty on councils to have contingency and emergency arrangements embedded within their normal planning activity, Ministers considered that the restrictions to limit support from the Scheme to revenue costs, uninsurable items and costs incurred in the immediate aftermath of an incident should remain.

3. The full analysis of responses can be found on the Executive's website at: <http://www.scotland.gov.uk/Topics/Government/local-government/17999/Bellwinconsultresponsumry>

4. In brief the Executive proposes the following changes to the Scheme:

4.1 To ensure that the threshold levels are based on current council spending. These will be calculated using 0.2% of the current year's budget data as returned on the Provisional Outturn Budget Estimates (POBE) form.

4.2 In conjunction with the with the revised threshold levels to be applied from 1 October 2006:

(i) To increase the payment of grant from that currently in place (85%) to 100%.

(ii) To increase the element of insurance excesses that can be included within a Scheme claim. These will be increased to £250 per property for housing, £500 per property for general/educational buildings and £1,250 per property for industrial buildings.

4.3 To streamline significantly the bureaucracy involved by cutting back on the level of supporting documentation required at interim claim, taking assurance that this has been signed by the Director of Finance, with the final claim certificated by an auditor appointed by the Accounts Commission for Scotland.

4.4 To revise the Guidance Notes for Claims and the Claim Form, taking into account the proposed changes, clarifying a number of uncertainties raised during the consultation process and setting out more clearly how the Scheme operates, e.g. how the Scheme is activated, the time lines involved in making a claim, audit certification requirements, that the threshold applies to a financial year rather than to each emergency incident within a financial year.

4.5 To draft a high level summary sheet, explaining the overall criteria and operation of the Scheme.

5. It is our intention that the new threshold levels will be implemented in full from 1 October 2006 but councils are invited to comment on the implementation arrangements by 31 August. Any comments should be forwarded to Irene Little, within this Division ([irene.little@scotland.gsi.gov.uk](mailto:irene.little@scotland.gsi.gov.uk)). Councils will be advised by 1 October on the final agreed arrangements.

The revised Guidance Notes for Claims, including the Claim Form and the high level summary sheet will shortly be available on the Executive's website.

Yours sincerely

A handwritten signature in black ink, appearing to read 'G. Owenson', is written over a light grey rectangular background.

Graham Owenson  
Local Government Finance Division